

June 19, 2007

Dear FCC,

I am writing a comment on the proposed merger of Sirius and XM satellite radio service. I am a subscriber to this service. My position is that the merger should not be allowed to happen. Here is my reasoning.

1. There are only 2 service providers. Merging them will remove the need to increase services or programming. There will always be some difference in service/programming between the companies. That is what they do to differentiate themselves in the market. That is a good thing because they are always trying to “one up” each other. So as a consumer I benefit from continually increased service/programming for the same monthly price.
2. Competition forces companies to be improve service and product offering. Cable companies had relative monopoly compared to “free TV” for years. They did not greatly improve their product/service offering yet continued to increase pricing. Then satellite TV came along. This was the 1<sup>st</sup> real competitive threat to cable TV. The cable companies needed to improve their product and pricing or lose customers. Cable companies are now doing both of these. Do you think the costs to run a cable company have dropped? No. They have the same costs as before, but competition forces them to be creative and cost conscious.
3. At this point there is no real threat to satellite radio service. Therefore there is no incentive for them to improve service or pricing if they merge. Any savings in costs will be kept by the companies, and likely not passed to the consumer.

Thanks for allowing me to comment on this matter.

Bob Evans